Canadian Grain Commission | Commission canadienne des grains

Canadian Grain Commission
Report on Plans and Priorities
2011-12

Minister of Agriculture and Agri-Food and
Minister for the Canadian Wheat Board

Canada

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Minister's Message

I am pleased to submit to Parliament and Canadians the Canadian Grain Commission's (CGC) *Report on Plans and Priorities 2011-12*. This report details how the CGC intends to use its resources to carry out its responsibilities to protect grain producers' interests and to ensure a dependable commodity for Canada's international and domestic markets.

Since coming to office, this Government has dedicated itself to ensuring the success of Canadian agriculture. Our approach from the beginning has been straightforward enough: placing Farmers First in all our decision-making. As Minister, I will continue to use every tool at my disposal to secure the best possible future for our nation's farmers.

Fortunately for me, the partner organizations of the Agriculture and Agri-Food (AAF) Portfolio are just as unshakeable in their commitment to the industry as I am. These AAF Portfolio organizations - Agriculture and Agri-Food Canada, the Canadian Food Inspection Agency, Farm Credit Canada, the Canadian Grain Commission, the Canadian Dairy Commission, the Farm Products Council of Canada and the Canada Agricultural Review Tribunal – have diverse mandates and duties. What they have in common is that they all support me in managing the sector's immediate pressures, while helping to fulfill the considerable opportunities for a more competitive and profitable sector in the long run.

Through their diligent work as individual organizations and their coordinated efforts as a Portfolio team, the AAF Portfolio partners are making a difference for Canada's farmers and their families. I know I can continue to bank on the teamwork of the AAF Portfolio to underpin my ability to address all matters related to agriculture and agri-food. Together, we will bolster this pivotal sector in the interests of all Canadians.

The Honourable Gerry Ritz
Minister of Agriculture and Agri-Food and
Minister for the Canadian Wheat Board

Chief Commissioner's Message

Welcome to the Canadian Grain Commission's (CGC) *Report on Plans and Priorities 2011-12*. Through its activities, the CGC supports a competitive, efficient grain sector and upholds Canada's international reputation for consistent and reliable grain quality. In addition, the CGC protects the rights of Canadian grain producers when they deliver grain to licensed grain handling companies.

Since 1912 the CGC has been the federal agency responsible for setting standards of quality and regulating Canada's grain handling system. April 1, 2012 will mark the 100th year anniversary of the CGC and plans are underway to celebrate this important milestone.

In the coming year, CGC efforts will be guided by two priorities. Both priorities are aimed at allowing the CGC to continue to evolve in response to current and future conditions in the grain industry environment. The first priority is focused on the relevant positioning of CGC program activities to successfully deliver upon the CGC's strategic outcome while the second priority is aimed at strengthening sound integrated people and business management processes. To make progress towards the plans and priorities detailed in this report, the CGC is committed to working in close collaboration with producers, industry stakeholders, AAF Portfolio partners, and other government departments and agencies.

As Chief Commissioner, I look forward to the CGC's ongoing exemplary work to effectively meet the needs of producers, the industry and all Canadians in general. I invite you to read this report to learn more about the CGC's plans and priorities for fiscal year 2011-12.

Elwin Hermanson
Chief Commissioner
Canadian Grain Commission

Section I: Canadian Grain Commission Overview

Raison d'être

The CGC is a federal government agency and administers the provisions of the *Canada Grain Act*. The CGC's **mandate** as set out in the *Canada Grain Act* is to, "in the interests of the grain producers, establish and maintain standards of quality for Canadian grain and regulate grain handling in Canada, to ensure a dependable commodity for domestic and export markets." The CGC **vision** is to be "A leader in delivering excellence and innovation in grain quality and quantity assurance, research, and producer protection." The CGC reports to Parliament through the Honourable Gerry Ritz, **Minister of Agriculture and Agri-Food**.

Responsibilities

Under the *Canada Grain Act*, the CGC regulates the handling of 21 grains[1] grown in Canada to ensure Canada's grain is safe, reliable and marketable, and Canadian grain producers are protected. The CGC is an unbiased, third-party agency in Canada's grain sector and is the official certifier of Canadian grain. Through its activities, the CGC supports a competitive, efficient grain sector and upholds Canada's international reputation for consistent and reliable grain quality. To achieve its mandate, the CGC

- regulates all aspects of grain handling in Canada through the grain quality and quantity assurance programs,
- carries out scientific research to understand all aspects of grain quality and grain safety and to support the grain grading system, and
- has implemented a number of producer protection programs and safeguards to ensure the fair treatment of Canadian grain producers when they deliver their grain to licensed grain handling companies and grain dealers.

The CGC's head office is located in Winnipeg, Manitoba. The CGC currently operates 12 additional offices across Canada and plans to employ approximately 725 full time equivalents in the upcoming fiscal year. Funding for CGC programs and activities is through a combination of revolving fund and appropriation sources. Additional information on the CGC's mandate and responsibilities is available on the CGC website at http://www.grainscanada.gc.ca/.

[1] Grain refers to any seed designated by regulation as a grain for the purposes of the *Canada Grain Act*. This includes barley, beans, buckwheat, canola, chick peas, corn, fababeans, flaxseed, lentils, mixed grain, mustard seed, oats, peas, rapeseed, rye, safflower seed, solin, soybeans, sunflower seed, triticale and wheat.

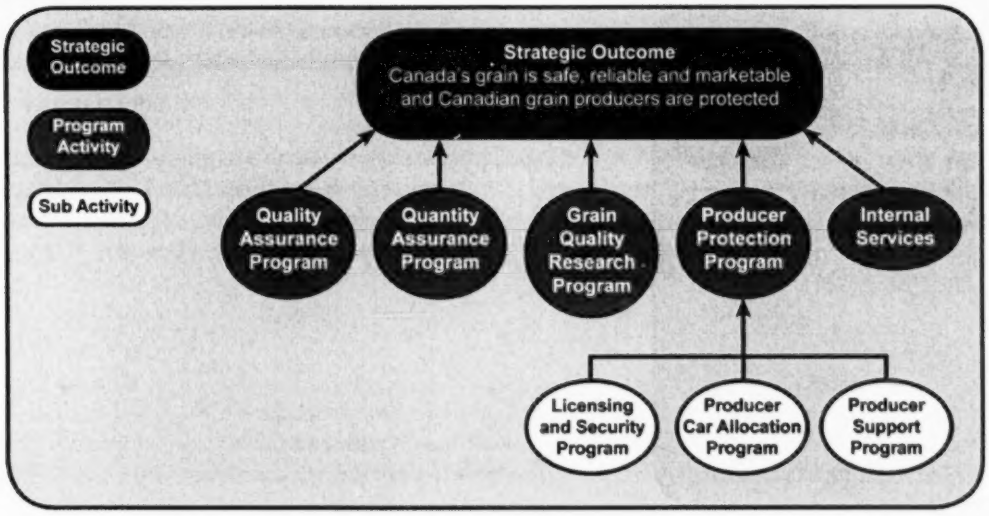
Strategic Outcome and Program Activity Architecture

To effectively pursue its mandate and make a difference to Canadians, the CGC aims to achieve the following strategic outcome:

Canada's grain is safe, reliable and marketable and Canadian grain producers are protected

Canada is known around the world for the quality, consistency, reliability and safety of its grain and grain products. It is widely recognized that the provision of CGC programs and activities is fundamental to maintaining this reputation and to the functioning of Canada's grain quality assurance program (GQAS). CGC programs result in shipments of grain that consistently meet contract specifications for quality, safety and quantity which is essential for producers to realize maximum value from their grain. In our role as a neutral third party regulator and arbitrator, the CGC works in partnership with virtually every participant in the grain industry including producers, industry stakeholders, AAF Portfolio partners, and other government departments and agencies.

The following diagram illustrates the CGC's Program Activity Architecture (PAA) which is the basic structure for managing and allocating resources to various programs and activities to achieve intended results. The CGC's PAA has five program activities which each contribute to making progress to the CGC's single strategic outcome. The producer protection program consists of three program sub-activities.



Planning Summary

The following tables provide a summary of the CGC's planned spending and human resources for the next three fiscal years. Planned spending includes the annual appropriation of $5.45 million and projected spending of approximately $37.06 million of revenue earned through fees. 2011-12 planned spending includes additional amounts as identified in Federal Budget 2010 (see footnote). The 2012-13 and 2013-14 planned spending and planned full time equivalents (FTEs) shown below are reflective of approved authorities to date only and not reflective of total resource needs. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery going forward. There are no significant planned program activity changes for the upcoming years.

Financial Resources ($ thousands)

2011-12*	2012-13*	2013-14*
81,216	42,515	42,515

Human Resources (FTEs)

2011-12	2012-13	2013-14
725	373	373

* Main Estimates 2011-12 includes ad hoc funding of $30.20 million and the use of $8.50 million of the CGC's accumulated surplus for fiscal year 2011-12 as identified in Budget 2010. The CGC plans to seek authority from Treasury Board to access the accumulated surplus in the fall of 2011. The 2012-13 and 2013-14 planned spending and planned FTE's shown above are reflective of approved authorities to date only and not reflective of total resource needs. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery. Planned spending differs from the Annual Reference Level Update for 2011-12, 2012-13 and 2013-14 with respect to non-appropriation funding as these include spending of approximately $37.06 million of revenue earned through fees. The Annual Reference Level Update reflects the authority limit of respendable revenue of $42.88 million.

Strategic Outcome: Canada's grain is safe, reliable and marketable and Canadian grain producers are protected.	
Performance Indicators	**Targets**
Number of instances where buyers are dissatisfied with CGC standards, methods or procedures used to ensure a dependable commodity for domestic and export markets	Zero instances
Level of producer satisfaction with CGC producer protection services	Zero unresolved or unaddressed complaints

The following table presents planned spending by program activity and identifies the alignment of CGC program activities to the Government of Canada Outcomes.

Program Activity[1]	Forecast Spending[5] ($ thousands) 2010-11	Planned Spending[4] ($ thousands)			Alignment to Government of Canada Outcomes[2]
		2011-12	2012-13	2013-14	
Quality Assurance Program	41,155	41,799	21,176	21,176	Innovative and knowledge-based economy[3]
Quantity Assurance Program	12,558	12,761	8,479	8,479	
Grain Quality Research Program	9,869	10,038	3,521	3,521	
Producer Protection Program	3,800	3,857	899	899	Fair and secure marketplace[3]
Internal Services	12,545	12,761	8,440	8,440	N/A
Total Planned Spending	79,927[5]	81,216	42,515	42,515	

[1] Program activity descriptions are available on the Treasury Board Secretariat Main Estimate website at: http://www.tbs-sct.gc.ca/est-pre/20112012/p2-eng.asp.

[2] Additional information on the Government of Canada Outcomes is available at: http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx.

[3] Further information on the CGC's alignment to the Government of Canada Outcomes is available at: http://www.grainscanada.gc.ca/cgc-ccg/cr-rm/goco-rogoc-eng.htm.

[4] Planned spending differs from the Annual Reference Level Update for 2011-12, 2012-13 and 2013-14 with respect to non-appropriation funding as these include spending of approximately $37.06 million of revenue earned through fees. The Annual Reference Level Update reflects the authority limit of respendable revenue of $42.88 million. Planned spending for 2011-12 also includes ad hoc funding of $30.20 million and use of $8.50 million of the CGC accumulated surplus as identified in Budget 2010.

[5] 2010-11 actual results may differ from the 2010-11 forecast spending. The forecast is based on a reprofiled budget as at November 30, 2010 and the variation between forecasted and actual spending could be material.

Contribution of Priorities to the Strategic Outcome

The CGC has identified two priorities that will be the focus of attention during the reporting period. The first priority is aimed at strengthening the CGC's program activities while the second priority is aimed at sound integrated people and business management. The CGC has identified several initiatives with specific deliverables to ensure progress is made towards the plans associated with the priorities. To make progress towards the initiatives, the CGC will continue to work in close collaboration with producers, industry stakeholders, AAF Portfolio partners, and other government departments and agencies. Progress towards the priorities will mitigate program risk and ensure long term success in delivering upon the CGC's sole strategic outcome of ensuring Canada's grain is safe, reliable and marketable and Canadian grain producers are protected.

Operational Priority	Type[1]	Description
Relevant positioning of CGC program activities to deliver upon the CGC's strategic outcome	New	**Why is this a priority?** This priority involves positioning the CGC to remain relevant and support the continued competitiveness of Canadian grains in both domestic and international markets. This includes development and integration of new technologies and protocols into daily program and service delivery, sound regulatory framework, ongoing responses to increased market demands for assurances of grain safety and market concerns about low level presence of unapproved genetically engineered events, as well as continuously improving producer protection programs and service delivery models. **Plans for meeting this priority:** ▪ Continue efforts to evolve service delivery models to remain relevant and meet future service requirements ▪ Continue efforts to facilitate market access to ensure Canadian grain remains competitive domestically and internationally

Management Priority	Type[1]	Description
Integrated people and business management	New	**Why is this a priority?** This priority involves sound integrated and accountable planning and management processes to ensure the optimal allocation of human and financial resources to meet business needs. **Plans for meeting this priority:** ▪ Establish a sustainable CGC funding model that will eliminate the dependence on annual ad hoc funding and create a more stable environment for integrated people and business management ▪ Continue efforts to ensure the CGC's workforce evolves to meet future service requirements

[1] **Type** is defined: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the subject year of the report. While the CGC's 2011-12 priorities are identified as new, they are closely linked to the priorities identified in the CGC's 2010-11 RPP.

Risk Analysis

The Canadian grain industry, the CGC, and the GQAS operate in a climate of constant change. The CGC and the GQAS must be able to adjust in a measured and careful fashion to these changes in order to maintain Canada's reputation as a consistent supplier of quality grain. The CGC is continually adapting programs and services to assure consistent and reliable grain quality and grain safety that meets the needs of international and domestic markets and to ensure Canadian grain producers are protected.

Risk management is an essential part of strategic planning and decision making at the CGC. While the majority of risk involved in the CGC's work is inherent and constant, some risk varies according to changes in the internal and external environment. The inherent risks to CGC programs and services, such as risks associated with assuring accurate quality and quantity assessment and accurate certification of Canadian grain, are addressed by continuous monitoring and adjustment in order to bring residual risk to tolerable levels, thereby maintaining high levels of performance. Feedback from producers and grain handlers, domestic and international grain buyers and processors, and other government organizations has proven to be a reliable early indicator of risk arising from developments in the external environment.

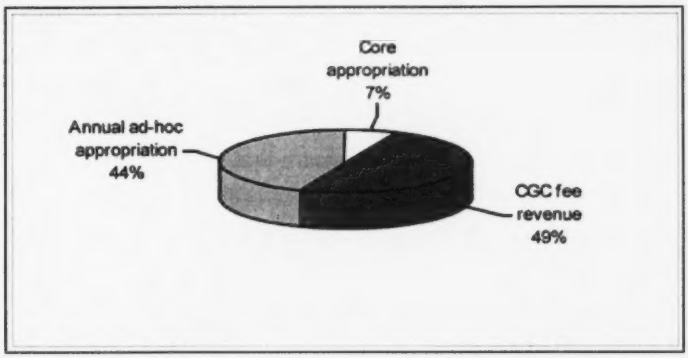
Strategic planning at the CGC includes preparation of an extensive environmental scan to identify emerging threats and/or opportunities for improvement, an internal and external workforce analysis, and a Corporate Risk Profile Summary to identify areas of greatest risk exposure to the CGC in delivering its strategic outcome and program activities. While mitigation strategies are currently in place for the risk areas identified, the CGC's 2011-12 strategic priorities, plans, and initiatives will contribute to further mitigating these risk areas.

Key risk areas identified for 2011-12 include a risk that the required effort for CGC priorities and initiatives will exceed human resource availability, the risk of insufficient capital investment funding for long-term operational sustainability, and limited ability and/or expertise to respond to a rapidly changing environment in order to keep the GQAS relevant. To address these risks, the number of CGC strategic priorities and initiatives for 2011-12 has been reduced and plans are more focused. Plans for the establishment of a sustainable CGC funding model will contribute to mitigating the risk of insufficient capital investment funding. The CGC's two 2011-12 priorities, the relevant positioning of CGC program activities to deliver upon the CGC's strategic outcome as well as sound integrated people and business management, will both contribute towards the CGC being able to continue responding to a rapidly changing environment in order to keep the GQAS relevant.

Expenditure Profile

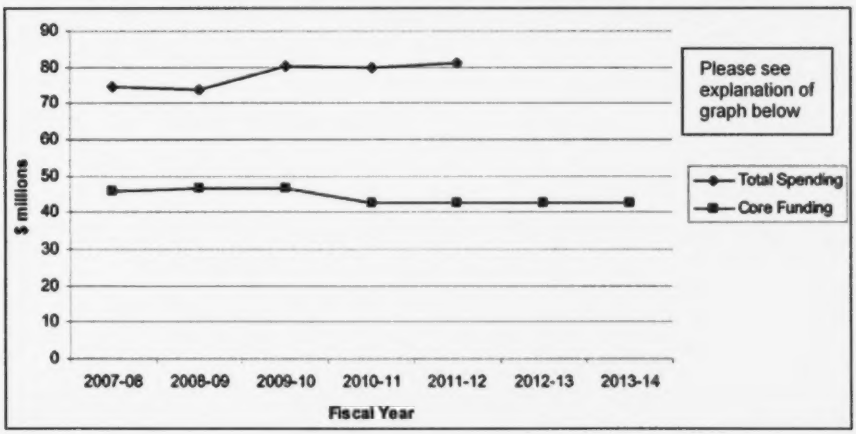
Additional ad-hoc appropriation has been required to meet CGC operational requirements on a yearly basis since 1999. The following chart illustrates average CGC spending by funding source over the past four years (fiscal year 2007-08 through 2010-11). In recent years, approximately 44 percent of CGC expenditures have been funded by annual ad-hoc appropriation (this includes the use of the CGC's accumulated surplus of $2.5 million in 2008-09 and $10.2 million in 2010-11), approximately 7 percent of CGC expenditures have been funded through core appropriations which have historically been used to cover a portion of the costs related to the Grain Quality Research Program and functions associated with Assistant Commissioner positions, while approximately 49 percent of expenditures has been funded through CGC fee revenues collected primarily from inspection and weighing services.

Average Spending by Funding Source (2007-08 to 2010-11)



The graph below illustrates the CGC's funding level trend from 2007-08 to 2013-14. The two trends shown on the graph are core funding and total spending.

Total Spending against Core Funding Level from 2007-08 to 2013-14



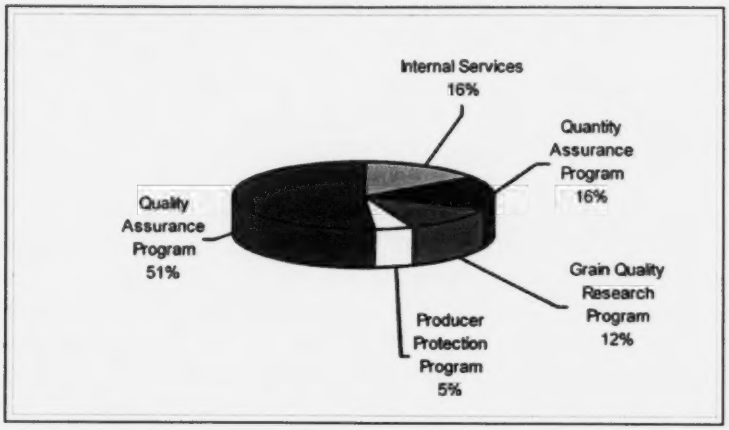
Total spending from 2007-08 to 2011-12 is reflective of all funding sources available to the CGC including appropriations realized through the full Estimates process and fees generated through the provision of services. Planned 2011-12 total spending includes additional ad hoc funding of $30.20 million as well as $8.50 million of the CGC's accumulated surplus as identified in Federal Budget 2010. The CGC has already been granted approval to access the $30.20 million in additional ad-hoc funding and plans to seek authority from Treasury Board to access $8.50 million of the accumulated surplus in the fall of 2011.

For 2012-13 and 2013-14, the graph shows the CGC's approved authorities to date only (core funding). The graph does not include 2012-13 and 2013-14 total spending due to the expiration of ad hoc funding. The CGC is currently assessing options to ensure appropriate funding is available to meet operational and staffing requirements. This includes a review of CGC user fees (further information is available at: http://www.tbs-sct.gc.ca/rpp/2011-2012/info/info-eng.asp). Going forward there are no significant planned changes to the CGC's program activities.

Core funding for 2011-12 and future years of $42.52 million partially consists of $5.45 million in annual appropriation which is used to fund a portion of the costs related to the Grain Quality Research Program and the functions that were associated with the Assistant Commissioner positions. Assistant Commissioner functions have been assumed by the CGC Commissioners, the Licensing Unit, and Communications. The remainder of the organization's quality assurance, quantity assurance and producer protection programs are intended to be cost recovered via fee revenues collected primarily from inspection and weighing services. These revenues are dependent on annual grain volumes which can fluctuate up to 20 percent from year-to-year, resulting in variable revenue from fees. The CGC forecasts spending of revenue earned through fees of $37.06 million generated from handling expected grain volumes of 50.0 million tonnes of grain. However, the CGC has fixed costs related to its statutory mandate which cannot be eliminated or reduced as revenues decline. In order to meet the evolving grain industry needs and increasing operating costs, the CGC maintains an ongoing process of cost containment and reallocates internal resources to meet new and emerging priorities.

The figure below illustrates the allocation of 2011-12 planned spending by program activity. The largest portion of the CGC's planned spending is allocated to the quality assurance program. While the CGC has a specific program activity dedicated to producer protection activities, it is important to note that all CGC program activities contribute to the CGC's overall mandate of producer protection. For example, the quality assurance and quantity assurance programs are essential for producers to realize maximum value from their grain. With consistent mandated expectations, the percentage allocated to each program activity does not change significantly from year-to-year.

2011-12 Planned Spending by Program Activity



For information on CGC votes and/or statutory expenditures, please see the 2011–12 Main Estimates publication. An electronic version of the Main Estimates is available at: http://www.tbs-sct.gc.ca/est-pre/20112012/me-bpd/toc-tdm-eng.asp.

Section II: Analysis of Program Activities by Strategic Outcome

Strategic Outcome

Strategic Outcome: Canada's grain is safe, reliable and marketable and Canadian grain producers are protected	
Performance Indicator	**Target**
Number of instances where buyers are dissatisfied with CGC standards, methods or procedures used to ensure a dependable commodity for domestic and export markets	Zero instances
Level of producer satisfaction with CGC producer protection services	Zero unresolved or unaddressed complaints

The CGC has one strategic outcome that reflects the daily delivery of the CGC's program activities and the long-term benefit to Canadians stemming from the CGC's mandate and vision. As a regulatory agency, the CGC is mandated to, in the interests of grain producers, establish and maintain standards of quality for Canadian grain and regulate grain handling in Canada, to ensure a dependable commodity for domestic and export markets. To measure its success in delivering upon its strategic outcome, the CGC has identified two performance indicators with associated targets as identified above.

The CGC has five program activities to reflect how its resources are allocated and managed to achieve intended results. The CGC remains committed to modernizing regulations and reducing mandatory costs to the grain sector, including producers. Modernization of the *Canada Grain Act* and the *Canada Grain Regulations* will ensure that the CGC's legislation, programs and services continue to meet the evolving needs of Canadian producers and the grain industry and that the CGC can effectively and successfully deliver upon its strategic outcome and program activities.

The following sections describe the targets for each program activity, performance indicators and expected results as well as the CGC activities and plans that will contribute to meeting the expected results. Information is also provided on the financial and human resources that will be dedicated to each program activity.

Program Activity: Quality Assurance Program

Quality Assurance Program					
2011-12		2012-13*		2013-14*	
Human Resources (FTEs)	Planned Spending ($ thousand)	Human Resources (FTEs)	Planned Spending ($ thousand)	Human Resources (FTEs)	Planned Spending ($ thousand)
373	41,799	186	21,176	186	21,176
Expected Result		**Performance Indicator**		**Target**	
Consistent and reliable grain quality and grain safety assurance to meet the needs of domestic and international markets		Number of justified cargo complaints due to a breakdown in CGC quality and/or safety assurance		Zero justifiable cargo complaints	

* The 2012-13 and 2013-14 planned spending and planned FTE's shown above are reflective of approved authorities to date only and not reflective of total resource needs. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery.

Program Activity Description

Canada's GQAS assures consistent and reliable grain quality that meets the needs of international and domestic markets. Daily provision of grain inspection and grading services as mandated by the *Canada Grain Act* as well as strong scientific and technical support programs and services are integral components to the overall delivery of an effective GQAS. The CGC continually adapts Canada's GQAS to the end-use needs of domestic and international buyers of Canadian grain, and to the ongoing structural changes within the grain industry. An effective GQAS is a key factor in permitting Canadian exporters to market successfully in competitive international grain markets and is essential for producers in order to realize maximum value from their grain.

Planning Highlights

The quality assurance program directly supports the ongoing delivery of the CGC's mandate and is necessary for the CGC to deliver upon its strategic outcome of assuring Canada's grain is safe, marketable and reliable. To meet the target and achieve the expected result associated with this program activity, the CGC plans to continue the following activities and services:

- Maintain and deliver an effective Quality Management System as per the ISO 9001:2008 standard. Adherence to ISO Quality Management System procedures includes regular review of quality assurance processes allowing the CGC to adjust service procedures and identify or adjust training as necessary.

- Inspect and grade grain using regularly updated and approved standards as mandated by the *Canada Grain Act.*
- Provide certificates and documentation related to the inspection and testing of grain exports to assure sellers and buyers of the quality and safety of a shipment of Canadian grain.
- Provide an unbiased process for appeal of official inspections to producer car users, and licensed primary, terminal, and transfer elevator operators who disagree with the grades assigned by CGC inspectors.
- Manage a complaint resolution process for cargo disputes related to grain quality and conduct unload investigations upon shipper and producer request to ensure customer satisfaction.

The quality assurance program activity must continue to align with and be able to respond to the changing requirements of domestic and international grain markets to ensure consistent and reliable grain quality and grain safety assurance. While the consistent daily delivery of the above activities and services will continue to be the main focus of this program activity, the priorities and plans identified in Section I of this report are directly focused on enhancing and improving program and service delivery to maintain and improve the quality, safety and marketability of Canadian grains.

Benefits for Canadians

Grain quality refers to end-use processing quality, grain safety and cleanliness, and, in some cases, the composition of varieties in shipments of grain. The CGC will continue to benefit Canadians by assuring consistent and reliable grain quality to meet the needs of international and domestic markets. In addition, the CGC will continue to provide technical advice and training, information on grain quality assurance issues, and transfer technology in the form of validated methods to producers and industry stakeholders where feasible. The quality assurance program supports not only the delivery of the CGC mandate, but positions Canada with a sustainable competitive advantage in global grain markets. Additional information on the quality assurance program is available at: http://www.grainscanada.gc.ca/quality-qualite/iaqm-mrsq-eng.htm.

Program Activity: Quantity Assurance Program

Quantity Assurance Program					
2011-12		**2012-13***		**2013-14***	
Human Resources (FTEs)	**Planned Spending ($ thousand)**	**Human Resources (FTEs)**	**Planned Spending ($ thousand)**	**Human Resources (FTEs)**	**Planned Spending ($ thousand)**
114	12,761	74	8,479	74	8,479
Expected Result		**Performance Indicator**		**Target**	
Consistent and reliable quantity assurance of Canadian grain shipments		Number of justified cargo complaints due to a breakdown in CGC assessment of quantity		Zero justifiable cargo complaints	

* The 2012-13 and 2013-14 planned spending and planned FTE's shown above are reflective of approved authorities to date only and not reflective of total resource needs. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery.

Program Activity Description

The Canadian grain quantity assurance system assures the weight of grain loaded into or discharged from conveyances and in storage in the licensed terminal and transfer elevator system to meet the requirements of the grain industry from producers to customers. Daily provision of grain weighing services as mandated by the *Canada Grain Act* forms a major part of the Quantity Assurance System. To maintain relevance and address constantly changing industry demands, ongoing technical support is provided in support of the grain quantity assurance system.

Planning Highlights

The overall expected result of this program activity is consistent and reliable quantity assurance for Canadian grain shipments. Delivery of weighing services and programs is an integral component of the ongoing provision of the CGC mandate and the Canadian GQAS. The CGC's performance during the reporting period will be measured against the performance indicator and target as identified above. To achieve the target of zero justifiable cargo complaints due to a breakdown in CGC assessment of quantity, the CGC plans to continue the following services and programs:

- Deliver weighing services, weighing system inspection programs, and grain inventory accounting services (GIAS and MRS) to maintain an effective Quality Management System (QMS) as per the ISO 9001:2008 standard. This includes regular review of quantity assurance processes allowing the CGC to adjust service procedures and identify or adjust training as necessary.

- Monitor to ensure that the quantity and/or identity of grains shipped under Identity Preserved systems is maintained.
- Ensure official weigh-overs of all stocks in store at licensed terminal and transfer elevators are conducted at prescribed intervals.
- Prepare official unload reports at licensed terminal and transfer elevators to authenticate received weights. These reports may be used by the Dispute Resolution Service (DRS).
- Manage the DRS to assist grain producers and the grain industry in recovering for grain lost during transport by railcar or during the discharge process.
- Manage the Grain Inventory Accounting System (GIAS) and the Montreal Registration System (MRS) for the industry to provide accurate information of licensed terminal and transfer grain inventory data.
- Manage the complaint resolution processes for quantity of export grain cargoes to maintain ongoing customer satisfaction.

The CGC's quantity assurance program must align with and be able to respond to the changing requirements of the grain industry to effectively ensure consistent and reliable quantity assurance of Canadian grain shipments. To this end, the CGC will continue to collect, interpret and distribute official weighing data and information and generate reliable grain quantity data to meet specific industry and buyer needs. The CGC will continue to provide technical advice and continue to establish and maintain grain quantity assurance standards that evolve with industry grain weighing procedures and equipment standards. Adaptations to and modernization of weighing programs, procedures, and equipment contributes to the reliability of the Canadian GQAS and a sound regulatory framework.

Benefits for Canadians

The quantity assurance program directly contributes to the CGC's strategic outcome of ensuring Canada's grain is reliable and marketable and Canadian grain producers are protected. The CGC establishes and maintains Canadian grain quantity assurance services to continuously evolve with industry grain weighing procedures and equipment standards. The grain quantity assurance program benefits Canadians by providing ongoing technical advice, training, and information on grain quantity assurance to meet specific industry and buyer needs. Additional information on the quantity assurance program is available at: http://www.grainscanada.gc.ca/quantity-quantite/iaqnm-mrsqn-eng.htm.

Program Activity: Grain Quality Research Program

Grain Quality Research Program					
2011-12		**2012-13***		**2013-14***	
Human Resources (FTEs)	**Planned Spending ($ thousand)**	**Human Resources (FTEs)**	**Planned Spending ($ thousand)**	**Human Resources (FTEs)**	**Planned Spending ($ thousand)**
90	10,038	31	3,521	31	3,521
Expected Result		**Performance Indicator**		**Target**	
Research and development on grain quality and grain safety to support and improve Canada's GQAS		Assessment of grain quality and grain safety research undertaken, sponsored, and/or promoted by the CGC		"Excellent" on a scale of excellent, good, fair or poor	

* The 2012-13 and 2013-14 planned spending and planned FTE's shown above are reflective of approved authorities to date only and not reflective of total resource needs. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery.

Program Activity Description

The *Canada Grain Act* requires the CGC to undertake, sponsor and promote research related to grains. The CGC's Grain Research Laboratory (GRL) conducts research in support of the GQAS to address emerging issues and permit the effective marketing of Canadian grain in the interests of producers and the Canadian grain industry. The GRL researches methods to measure grain quality and safety, new quality and safety factors, and new grain standards. In addition, the GRL carries out the CGC's annual Harvest Sample Program. Grain quality and safety research supports continuous improvement to Canada's GQAS.

Planning Highlights

The expected result of this program activity is research and development on grain quality and grain safety to support and improve Canada's GQAS. This program activity is integral to the continued relevance of Canada's GQAS and contributes directly to the CGC's strategic outcome of ensuring Canada's grain is safe, reliable and marketable.

Performance during the reporting period will be measured against the performance indicator and target as identified above. For example:

- Projects undertaken in the GRL are tracked through the CGC's established Project Management System. Milestone and/or update reports and project close-out reports formally track project progress, results, and analysis of variances impacting cost, deliverables, schedule, risks, and lessons learned to assist the director-sponsor and the CGC's Executive Management Committee in monitoring the progress and outcomes of the projects.

- The GRL participates in several external proficiency tests to receive unbiased evaluations with respect to accuracy and precision.

The CGC plans to continue the process of ISO/IEC 17025 accreditation for certain methods in its GRL environment. Focus is on accrediting methods in the Grain Safety Program of the GRL which includes the determination of mycotoxin, pesticide residue, trace element, and genetically modified organism (GMO) content in grain samples. ISO/IEC 17025 accreditation will give customers increased confidence in the GRL processes and testing methods that support Canada's GQAS.

The changing needs of the GQAS present new opportunities for the CGC's research activities. There continues to be a shift in the type of crops grown and their end-uses, and increased demand for variety identification by objective non-visual methods. Grain is increasingly being sold based on specifications and the demand for objective non-visual testing of grain quality and/or safety factors continues to increase. Research focus and allocation of resources must be managed to address these changing needs in an effort to increase efficiency, reduce costs, and enhance the testing capabilities of the CGC and Canada's GQAS.

The CGC's science and technology capacity must continuously adapt to and anticipate the needs of both domestic and international markets in order to ensure Canada's grain is safe, reliable and marketable. To this end, the CGC will continue to identify research priorities to build upon and strengthen the GQAS based on feedback received by CGC personnel from overseas and/or domestic buyers, processors, producers, grain handlers, and the Western Standards Committee and Eastern Standards Committee.
http://www.grainscanada.gc.ca/gscommittee-comiteng/wgsc-cngo-eng.htm
http://www.grainscanada.gc.ca/gscommittee-comiteng/egsc-cnge-eng.htm

To remain abreast of new developments, GRL personnel will continue to liaise with Canadian and international scientific, academic, analytical, and grain industry organizations. In addition, the CGC will continue people planning initiatives to ensure that the CGC is able to attract, develop and retain sufficiently qualified human resources in the GRL.

Benefits for Canadians

Research undertaken and sponsored under this program activity leads to the development of recognized methods for quality and safety evaluation of all grains and objective testing protocols and specifications to support the Canadian grading system. The research from this program activity also facilitates the end-use diversification of Canadian grains. The grain quality research program facilitates adaptations to Canada's GQAS to assure grain quality and grain safety to meet the end-use needs and processing expectations of domestic and international buyers of Canadian grain. Additional information on the grain quality research program is available at: http://www.grainscanada.gc.ca/research-recherche/iarm-mrsr-eng.htm.

Program Activity: Producer Protection Program

Producer Protection Program					
2011-12		**2012-13***		**2013-14***	
Human Resources (FTEs)	**Planned Spending ($ thousand)**	**Human Resources (FTEs)**	**Planned Spending ($ thousand)**	**Human Resources (FTEs)**	**Planned Spending ($ thousand)**
34	3,857	8	899	8	899
Expected Result		**Performance Indicator**		**Target**	
Producer satisfaction with the grain handling system		CGC response to producer complaints		Zero unresolved or unaddressed complaints	

* The 2012-13 and 2013-14 planned spending and planned FTE's shown above are reflective of approved authorities to date only and not reflective of total resource needs. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery.

Program Activity Description

The CGC is mandated to serve producer interests by upholding the *Canada Grain Act* and as such has implemented a number of specific programs and safeguards to ensure the fair treatment of Canadian grain producers. These include the licensing and security program, allocation of producer cars for producers and producer groups that wish to ship their own grain, and producer liaison measures including a grain grade appeal system. In addition, the CGC collects and updates grain quality data and grain handling information to facilitate producer sales and marketing decisions. Delivery of the CGC's quality assurance, quantity assurance, and grain quality research program activities also contribute to the CGC's overall mandate with respect to producer protection.

Planning Highlights

The overall expected result of the producer protection program is that producers' rights are supported to facilitate fair treatment within the licensed grain handling system. During the planning period, the CGC will continue to consult with and evaluate feedback from producers on the programs and services provided under this program. Where possible, amendments will be made to benefit producers by encouraging a lower cost, competitive and innovative grain handling sector. In addition, the CGC will continue communication efforts to ensure producers are aware of their rights under the *Canada Grain Act* and to increase awareness of CGC producer protection activities and services.

To achieve the expected result and target associated with this program activity and to successfully deliver upon the CGC's strategic outcome of ensuring Canadian grain producers are protected, the CGC will continue to deliver the following three mandate supporting program sub-activities:

Licensing Program

The CGC licenses and regulates primary, process, terminal, and transfer elevators as well as grain dealers in accordance with the *Canada Grain Act*. Licensed elevators and grain dealers are required to post security to cover their liabilities to producers in the event of a company default. The licensing requirements also ensure that producers who deliver to a primary elevator can access their right to be paid on the basis of grade and dockage that is determined by a CGC inspector, rather than by the grain handler. During 2011-12, the CGC plans to complete the licence classification review and implementation process to ensure consistent application of the *Canada Grain Act* and the *Canada Grain Regulations*. In addition, the CGC will continue to monitor CGC licensees using a risk assessment framework and a risk-based audit plan to determine audit priorities. This includes continuous refinements to the risk assessment framework and ongoing scrutiny to mitigate the risks associated with operating the security program.

Producer Car Allocation Program

Pursuant to the *Canada Grain Act* and the *Canada Grain Regulations*, the CGC provides and makes available an alternate grain delivery mechanism for producers and producer groups that wish to ship their own grain. The CGC has sole responsibility for the allocation of producer cars for both Canadian Wheat Board (CWB) and non-CWB grains. The CGC will continue to work closely and cooperatively with the CWB, grain companies, and the railways in an effort to ensure that producer car orders are filled in a timely manner. Internal efforts will continue to re-engineer the producer car software and producer car database to assist with data management.

Producer Support Programs

The CGC has set up an information and compliance framework to safeguard fair and equitable grain transactions for producers. This framework is comprised of many programs and activities including mediating and/or arbitrating producer complaints concerning transactions with licensed grain companies, re-inspection of samples on producer request, investigation of quality and dockage complaints, and collecting and updating grain quality data and grain handling information and making it available to producers and other interested parties to facilitate producer sales and marketing decisions.

Benefits for Canadians

The CGC's licensing program, producer car allocation program, and the producer protection programs directly contribute to ensuring Canadian grain producers are properly compensated for the quality and quantity of grain delivered and shipped. Additional information on the producer protection programs and the benefits to Canadian producers is available at: http://www.grainscanada.gc.ca/protection-protection/iappm-mrspp-eng.htm.

Program Activity: Internal Services

Internal Services					
2011-12		2012-13*		2013-14*	
Human Resources (FTEs)	Planned Spending ($ thousand)	Human Resources (FTEs)	Planned Spending ($ thousand)	Human Resources (FTEs)	Planned Spending ($ thousand)
114	12,761	74	8,440	74	8,440

* The 2012-13 and 2013-14 planned spending and planned FTE's shown above are reflective of approved authorities to date only and not reflective of total resource needs. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery.

Program Activity Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not those provided specifically to a program.

Planning Highlights

Internal services are enabling activities that allow the CGC to deliver the programs and services necessary to carry out its strategic outcome and program activities. Successful delivery of internal services is best indicated by the CGC's ability to meet the expected results of its strategic outcome and other program activities. Performance can also be measured by tracking activities and results against the goals of various government-wide initiatives.

The CGC plans to identify management accountability framework (MAF) priorities based on the Round VIII MAF assessment currently underway. The Round VIII MAF results will be used to develop an action plan to identify initiatives aimed at addressing areas of management requiring enhancement or improvement. The CGC remains committed to continuous improvement in line with the key elements of MAF Round VIII.

The CGC's Finance Division supports Canadians through the provision of Financial Management Services to facilitate the delivery of the CGC's strategic outcome and to support Government of Canada initiatives to strengthen accountability and transparency. Plans include implementation of quarterly reporting as directed in the recent amendments to the *Financial Administration Act* and described in the Treasury Board Accounting Standard 1.3, continued work on the implementation of Treasury Board's *Policy on Internal Controls*, and establishment of departmental future oriented financial statements

in the Reports on Plans and Priorities to support Parliamentarians in their understanding and consideration of departments' authorities.

A skilled and motivated workforce is critical to the CGC in delivering its services to Canadians. During 2011-12, the CGC will continue efforts to refine its integrated people and business planning (IPBP) and Performance Development and Achievement Program (PDAP) processes that links people management to the CGC's vision, goals and objectives, strategic plan and budgetary resources. The main goal is to get the right number of people with the skills, experience and competencies, in the right jobs, at the right time, at the right cost as well as ensuring an effective work environment throughout the organization.

Section III: Supplementary Information

Financial Highlights

The future-oriented financial highlights presented in this section are intended to serve as a general overview of CGC's financial operations. These future-oriented financial highlights are prepared on an accrual basis to strengthen accountability and improve transparency and financial management. The complete set of future-oriented financial statements can be found on the CGC's website at: http://www.grainscanada.gc.ca/cgc-ccg/cr-rm/crm-mrm-eng.htm

Future Oriented Condensed Statement of Operations (unaudited)
For the Year Ended March 31, 2012

Accrual Basis	**Future-oriented 2011–12 ($ thousand)**
Expenses	
Quality Assurance	$ 42,506
Quantity Assurance	12,970
Grain Quality Research	10,193
Producer Protection	3,925
Internal Services	12,956
Total Expenses	$ 82,550
Revenues	
Quality Assurance	$ 35,593
Quantity Assurance	11,488
Grain Quality Research	10,039
Producer Protection	2,956
Internal Services	12,759
Total Revenues	$ 72,835
Shortfall Requiring Access to Accumulated Surplus	$ (9,715)

The table shows the department's future-oriented total expenses and revenues for 2011–2012. In 2011–2012, total expenses are projected to be $82.55 million. Most of these expenses contribute to the direct delivery of the CGC's strategic outcome and program activities. The CGC receives its funding through annual Parliamentary appropriations and service fees. The CGC anticipates total revenues in 2011-12 will be $72.83 million. These revenues are expected to come from the following: service fees estimated at $37.18 million, and appropriations of $35.65 million. Budget 2010 identified access to the CGC's accumulated surplus of $8.50 million as a source of funds.

Supplementary Information Tables

All electronic supplementary information tables found in the 2011-12 Report on Plans and Priorities can be found on the Treasury Board of Canada Secretariat's web site at: http://www.tbs-sct.gc.ca/rpp/2011-2012/info/info-eng.asp.

Greening Government Operations
Upcoming Internal Audits & Evaluations
Sources of Respendable Revenue
Summary of Capital Spending by Program Activity
User Fees